



Updated: June 30, 2020

Subject: Federal COVID-19 Financial Assistance Programs

To alleviate the economic impact on businesses from the COVID-19 outbreak, the Coronavirus Aid, Relief and Economic Security (CARES) Act provides economic assistance to small businesses and larger businesses in severely distressed sectors. Many businesses receiving this federal financial assistance are wondering if the amounts received should be considered income for purposes of the Seattle Business License Tax

License and Tax Administration (LTA) has determined that businesses receiving assistance under these federal programs, including the federal Paycheck Protection Program (PPP), should not report this assistance as gross receipts for Business License Tax Certificates and should not pay B&O tax on that assistance at this time.

LTA will provide additional guidance after all the various programs at issue have been identified and analyzed more thoroughly. Until further notice, no penalties or interest will accrue on any tax that may be due if it is determined at a later date that receipts from federal COVID-19 financial assistance programs are subject to municipal business tax.

If you have questions about any specific COVID-19 assistance that you have received, please e-mail us at tax@seattle.gov.